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To: All Rental Housing Tax Credit Recipients

Notice: MFD-09-08

From: IHCD Multi Family Department

Date: March 24, 2009

Re: **Compliance in HOME Rental Projects: A Guide for Property Owners**

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Is the HOME program a mystery to you? Do its rules seem foreign and complex? Do you feel you have nowhere to go to for those burning HOME compliance questions?

If you answered yes to one or more of the previous questions you may be interested to know that HUD has recently released a guide to compliance in HOME rental housing projects. This guide, entitled "Compliance in HOME Rental Projects: A Guide for Property Owners," is tailored specifically to HOME property owners and managers.

Below is a quick synopsis of each chapter of the guide, including lists of helpful exhibits and appendixes.

### **Chapter 1: HOME Program Requirements That Every Owner Must Understand**

Learn the basic terms and rules of the HOME program.

### **Chapter 2: Property Owner's Responsibilities for Managing a HOME-Assisted Property**

Learn asset management tips and record-keeping/reporting requirements.

-Attachment 2.1: HOME Provisions Needed in a Written Agreement between Owner and Property Manager (p. 33)

-Exhibit 2.3: Records that the Property Manager Must Retain (p. 37)

### **Chapter 3: Maintaining Affordability**

Learn about income and rent limits, utility allowances, and verifying tenant income eligibility. Also in this chapter, learn how to handle fixed and floating units that become over-income. The following exhibits use charts and examples to illustrate how to properly deal with over-income units.



- 3-8: Maintaining Unit Mix in Fixed HOME Units When a Tenant Goes Over Income (p. 70)
- 3-9: Example of Maintaining Unit Mix in a Property with Fixed HOME Units (p. 72)
- 3-10: Maintaining Unit Mix in Floating HOME Units When a Tenant Goes Over Income (p. 77)
- 3-11: Example of Maintaining Unit Mix in a Property with Floating HOME Units (p. 78)

Don't miss the discussion on the differences between HOME and the Section 42 Tax Credit program and what to do when program rules seem to conflict. For more information on this topic, refer to Attachment 3-5: Differences in LIHTC and HOME Rules for Property Management (p. 92).

#### **Chapter 4: Finding and Keeping Tenants**

Learn about affirmative marketing, nondiscrimination, leases, and tenant selection policies.

-Attachment 4-1: Checklist of HOME Lease Requirements (p. 109)

#### **Chapter 5: Maintaining the Physical Asset**

Learn about property standards, lead-based paint regulations, accessible units, property insurance, and other maintenance issues.

#### **Chapter 6: Monitoring for HOME Compliance and Property Performance**

Learn about the monitoring requirements for the HOME program and how to correct compliance issues.

Ready to read more? IHCD has included the entire guide in PDF format as [Appendix K](#) in IHCD's 2009 Rental Housing Tax Credit Compliance Manual.